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SECOND SUBSTITUTE HOUSE BILL 2302

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State of Washington

54th Legislature

1996 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Carlson, Jacobsen, Mason and Patterson)

Read first time 02/05/96.

1 AN ACT Relating to the Washington state student scholarship  
2 partnership program; and adding a new chapter to Title 28B RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The Washington state student scholarship  
5 partnership program is established. The purpose of the program is to  
6 assist Washington's accredited public and independent colleges,  
7 universities, and career schools to raise private funds to assist needy  
8 and meritorious Washington residents attending in-state institutions of  
9 higher education.

10 NEW SECTION. **Sec. 2.** Unless the context clearly requires  
11 otherwise, the definitions in this section apply throughout this  
12 chapter.

13 (1) "Eligible needy student" means a student who: (a) Meets the  
14 residency requirements of RCW 28B.15.012(2), as demonstrated in RCW  
15 28B.15.013; (b) is needy, as defined in RCW 28B.10.802(3); (c) is  
16 meritorious, as defined by the institution of higher education that the  
17 student attends; and (d) is enrolled in an institution of higher  
18 education.

1 (2) "Board" means the higher education coordinating board.

2 (3) "Institution of higher education" means a public or independent  
3 institution of higher education or private career school or college,  
4 that: (a) Is located in the state of Washington; (b) is accredited by  
5 an accrediting association recognized by the board for the purposes of  
6 this program; (c) meets conditions adopted by the board for the  
7 program; and (d) is accepted by the board for participation in the  
8 program.

9 (4) "Foundation" means a private, nonprofit corporation that: (a)  
10 Is registered under Title 24 RCW and qualifies as a tax-exempt entity  
11 under section 501(c)(3) of the federal internal revenue code; (b)  
12 exists solely for the benefit of one or more institutions of higher  
13 education located in the state of Washington; and (c) is registered  
14 with the attorney general's office under the charitable trust act,  
15 chapter 11.110 RCW.

16 NEW SECTION. **Sec. 3.** The Washington state student scholarship  
17 partnership program shall be administered by the board, in consultation  
18 with institutions of higher education. In its administration of the  
19 program, the board's duties may include, but need not be limited to:

20 (1) The adoption of rules, deadlines, and procedures. The rules  
21 shall encourage scholarship recipients to repay the scholarship in  
22 order to help other needy students, when the recipient's financial  
23 circumstances permit such repayment;

24 (2) When the conditions of section 5 of this act are met, the  
25 release of state matching funds to eligible needy students attending  
26 independent institutions of higher education or private career schools  
27 and colleges;

28 (3) When the conditions of section 5 of this act are met, the  
29 release of state matching funds to participating public institutions of  
30 higher education or their foundations for distribution to eligible  
31 needy students;

32 (4) The determination of minimum and maximum scholarship amounts  
33 per needy eligible student;

34 (5) The adoption of an annual allocation system based on factors  
35 that may include, but need not be limited to: The amount of money  
36 available in the trust fund; the characteristics of potential  
37 participating institutions including the numbers of eligible needy  
38 students enrolled in each such institution, adjusted by each eligible

1 needy student's rate of enrollment; the amount of private cash  
2 donations that each potential participating institution commits to  
3 raise annually for the program; and the amount of money previously  
4 received by each participating institution or its foundation;

5 (6) The adoption of annual minimum matching amounts;

6 (7) The adoption of contracts with participating institutions and  
7 foundations. The contracts may include any conditions required of  
8 participants by the board, including but not limited to requirements to  
9 maintain records on the disposition of state and private matching funds  
10 and to provide an accounting of students assisted through the program;

11 (8) The adoption of policies that maximize the distribution of  
12 trust fund and matching moneys to eligible needy students;

13 (9) The adoption of a mechanism to reallocate unused funds to  
14 institutions of higher education or eligible needy students attending  
15 such institutions if the institutions have used their annual allotment  
16 of state matching moneys and have raised additional private donations  
17 for which the state matching funds were not available; and

18 (10) The preparation and distribution of an annual report on the  
19 results of the program. The report shall include an accounting of the  
20 students who have benefited through the program.

21 NEW SECTION. **Sec. 4.** The Washington state student scholarship  
22 partnership program trust fund is established in the custody of the  
23 state treasurer. Funds appropriated by the legislature for the program  
24 shall be deposited into the trust fund. At the request of the board  
25 and when the conditions of section 5 of this act are met, the treasurer  
26 shall release state matching funds from the trust fund to any  
27 institution of higher education or its foundation as designated by the  
28 board or to the board for distribution to eligible needy students. No  
29 appropriation is required for expenditures from the trust fund.

30 NEW SECTION. **Sec. 5.** Subject to rules adopted by the board:

31 (1) All institutions of higher education are eligible to  
32 participate in the program if they meet conditions adopted by the  
33 board. An institution may apply to the board for money from the trust  
34 fund when the institution or its foundation can match the money in the  
35 trust fund with an equal amount of cash donations from private sources.

36 (2) Institutions of higher education shall adopt a definition of  
37 merit for the purposes of the program.

1 (3) Public institutions of higher education or their foundations  
2 shall distribute the private donations and state matching funds to  
3 eligible needy students attending the institution.

4 (4) Private and independent institutions of higher education or  
5 their foundations shall distribute to eligible needy students private  
6 cash donations in an amount that equals the state matching moneys  
7 received by the student.

8 (5) Only moneys received by an institution of higher education or  
9 its foundation after the effective date of this section shall qualify  
10 as matching funds.

11 (6) Cash donations from private sources eligible for state matching  
12 funds under this program must supplement and not supplant the level of  
13 private gift aid awarded to students by the respective institution or  
14 its foundation during the 1995-96 academic year.

15 NEW SECTION. **Sec. 6.** A foundation is not eligible to receive  
16 moneys from the trust fund unless the foundation and the governing  
17 board of the institution of higher education for whose benefit the  
18 foundation exists have entered into a contract, approved by the  
19 attorney general that: (1) Specifies the services to be provided by  
20 the foundation; (2) provides for the protection of any state matching  
21 funds under the foundation's control that were provided under the  
22 program; and (3) provides for the institution's assumption of the  
23 ownership, management, and control of program funds if the foundation  
24 ceases to exist, fails to function properly, or fails to provide the  
25 specified services in accordance with the contract.

26 NEW SECTION. **Sec. 7.** Sections 1 through 6 of this act shall  
27 constitute a new chapter in Title 28B RCW.

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